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FLOOR DEBATE

January 21, 2004 LB 376, 479

Committee, you're recognized to close on AM0852.

SENATOR LANDIS: Thank you, Senator Cudaback, members of the Legislature. Perhaps a quick recapping of the provisions that are in the committee amendment now that there has been some adjustment. A technical change in Section 3 is a new definition of related parties because there is some limitations on the way that money and tax credits can flow with respect to related parties. It strikes two expired ethanol incentives, and since they're no longer functioning, it takes them out of the state statutes. It does have a new requirement that approval be documented annually instead of just initially for the availability of the ethanol incentive. It also indicates that testing for compliance with the standards for production won't be done on one day but over 30 days, so that you can't have a situation of somebody having one day of production that satisfies the statute and not really be able to do the kind of performance that we had in mind when we passed those standards. So they'd be able to...they'd demonstrate their production over a 30-day period. It also defines new facilities eligible for benefits under the act to exclude expansions of existing programs or any facility where construction takes place after June 30. This is the slamming of the door. Now there are bills in to reopen the door in a new way in other bills. We'll see what their fate is but this slams the door on existing ethanol credits as of June 30, 2004. The producer will need to bid their projects publicly and give a Nebraska resident bidder preference. That idea is still in the bill. There is a section for...these are recapture provisions, basically. There will now be provisions to allow us to assess a deficiency for excess credits and interests and penalties that should be repaid the state from where we've given too much of a credit. And we're creating a mechanism for the protesting of a Department of Revenue action and for the resolution of those issues. And we prohibit new contracts for incentives after the effective date of the act. We take out the expired 50-cent per gallon of production for ethyl tertiary butyl ether and that is taken out of the statutes and there is a declaration of an emergency. It's interesting to note that as it was reported out of the committee, LB 479 really was a merger of two bills. One of the bills was LB 376 by Senator Kremer and all of the provisions